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ARIZONA CORPORATION COMMISSION

January 9, 2007

Mr. Robert B. Dodds President Algonquin Water Resources of America 12725 W. Indian School Road, Suite D101 Avondale, AZ 85323

Re: LPSCO Palm Valley Water Reclamation Facility, Docket No. SW-01428A-05-0022; SW-01428A-06-0444.

Dear Mr. Dodds:

Thank you for your January 5, 2007 letter in response to the Commission's November 21, 2006 correspondence regarding Litchfield Park Service Company's ("LPSCO") Palm Valley Water Reclamation Facility ("PVWRF"). While your letter addresses the underlying issues that led to the odor problem, and the steps LPSCO is taking to address the problem, it fails to address two key issues.

First, in our November 21, 2006 letter, the Commissioners asked for "any and all correspondence and emails between LPSCO and the City of Goodyear concerning the odor problem and proposed remedies to fix it." To date, this information has not been provided to the Commission by the Company. I request that LPSCO docket this information as soon as possible.

Second, in Decision No. 69165, issued December 5, 2006, the Commission ordered LPSCO to "work with local businesses negatively affected by the odor problem to minimize harm caused to them by the persistent odor issues." Please tell the Commission what the Company is doing to comply with this provision in the order.

Thank you for your prompt attention to this matter.

Sincerely,

Kris Mayes Commissioner

¹ Decision No. 69165, Page 5, Line 4.

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